



PUBLIC DISCLOSURE COMMISSION

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9:00 a.m.
December 4, 2001

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Christine Yorozu, Chair
Gerry Marsh, Vice Chair
Lois Clement, Secretary
Susan Brady, Member
Ronda Cahill, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Tech. Officer
Nancy Krier, Asst. Attorney General
Neil Gorrell, Asst. Attorney General
Ruthann Bryant, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Christine Yorozu at 9:10 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Commissioner Comments

Commissioner Yorozu noted that this would be Commissioner Cahill's final meeting and thanked her for her assistance and dedication to the Commission.

DeLee Shoemaker, Director of External Affairs for Governor Gary Locke, presented Commissioner Cahill with a letter from the Governor and a Certificate of Appreciation for her work on the Public Disclosure Commission.

Ms. Rippie extended her appreciation for the support and guidance shown to herself and staff by Commissioner Cahill over the years.

Commissioner Cahill thanked the Commission and staff for the experience and stated that it has been a very successful five years.

Commissioner Marsh commented that it has been a pleasure to serve with Commissioner Cahill and her dedication and professionalism has been an asset to the Commission.

Commissioner Brady wished her well and added that it has been a pleasure to work with her over the last five years.

Commissioner Clement also thanked Commissioner Cahill for the warm welcome and guidance shown to her as a newly appointed member.

Commissioner Yorozu also thanked Karen Copeland and staff for their work on the 2001 Annual Report.

Citizen Comments/Concerns

No citizen comments were expressed.

Minutes

Commissioner Clement noted that on page 9 of the minutes it shows Commissioner Cahill making a motion, however she was not present at that meeting.

Motion 02-064

Moved by Commissioner Marsh, seconded by Commissioner Brady:

The Commission adopts the minutes of the regular meeting of October 23, 2001, as amended.

The motion passed unanimously.

Rule Making

Public Hearing

*Rules regarding Occupation and
Employer Threshold*

Doug Ellis reported on possible permanent adoption of rule amendments that would increase the threshold for reporting occupation and employer information and make the necessary changes to PDC form C-3 and C-4 schedules to reflect the threshold change.

WAC 390-16-034

Additional Reporting Requirements. This rule amendment would increase the dollar threshold at which campaigns report an individual's occupation and employer name and address from \$100 or more to a threshold of more than \$100.

Mr. Ellis summarized research on selected local office campaigns within five counties regarding the occupation and employer threshold. He noted that the change from \$100 to more than \$100 would have a significantly higher impact on the amount of information disclosed in the local office campaigns examined as compared to state office campaigns.

Mr. Ellis also noted that staff has received letters from two individuals expressing opposition to the rule amendment in addition to the comments made at the October 23, 2001 regular commission meeting by Chuck Sauvage with Common Cause and Carol Van Noy with the Seattle Ethics and Elections Commission. He also noted that there was a stakeholder meeting held on July 20th at which staff did not receive any opposition to increasing the threshold.

Cherie Davidson, representing the League of Women Voters of Washington, expressed strong support for the idea that the public has the right to know who is funding campaigns. However, the League is unsure whether the amounts proposed are meaningful today with the tremendous increase in campaign spending. Ms. Davidson

also noted that the League suggests the Commission consider having a two-tiered approach, establishing different thresholds for local and state office campaigns.

Commissioner Brady commented that campaigns have changed dramatically over the past years and she supports inflationary changes.

Commissioner Clement thanked Mr. Ellis for the analysis and research on how this change would affect local campaigns and she does not feel comfortable with making the change at this time.

Commissioner Cahill commented that there is a misconception regarding high dollar amounts for state offices and lower dollar amounts for local offices. She also noted that the purpose of this rule is to see if there was "bundling" and she does not support changing the threshold.

Commissioner Marsh stated that he also supports increasing the threshold due to inflationary factors.

Commissioner Yorozu commented that the information on campaign contributors is still available and she supports the increase.

Motion 02-065

Moved by Commissioner Brady, seconded by Commissioner Marsh:

The Commission amends WAC 390-16-034, Additional Reporting Requirements (Occupation and Employer ID Rule) as presented.

Voting for: Commissioners Yorozu, Brady and Marsh.

Voting against: Commissioners Cahill and Clement.

The motion passed.

WAC 390-16-031

Forms for Statement of Contributions Deposit.

This rule amendment is necessary since the Commission adopted changes in WAC 390-16-034. The C-3 form would reflect the new reporting threshold for reporting occupation and employer information. The amendment also includes the addition of a space for filers to indicate the date of election on the C-3 form.

WAC 390-16-041

Summary of total contributions and expenditures.

This rule would eliminate the form C4abb. The abbreviated reporting option is no longer available and the form is no longer needed. The amendment also includes the addition of a space for filers to indicate the date of election on the C-4 form and amends the Schedule B and Schedule L forms.

Motion 02-066

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission amends WAC 390-16-031, Forms for Statement of Contributions Deposit and WAC 390-16-041 Summary of Total Contributions and Expenditures, as presented.

The motion passed unanimously.

WAC 390-16-071

Annual Report of Major Contributors and Persons Making Independent Expenditures.

This rule amendment would incorporate a reference to WAC 390-05-400 in WAC 390-16-071 rather than the current specific dollar amount. The proposed change would eliminate the need to revise WAC 390-16-071 when the Commission adjusts the Initiative 134 dollar amounts in accordance with RCW 42.17.690.

Motion 02-067

Moved by Commissioner Cahill, seconded by Commissioner Marsh:

The Commission amends WAC 390-16-071, Annual Report of Major Contributors and Persons Making Independent Expenditures, as presented.

The motion passed unanimously.

WAC 390-16-190

Electronic Filing. This rule is being proposed for repeal. The repeal of this rule conforms to statutory changes under RCW 42.17.3691 requiring electronic filing by certain candidates and political committees. This rule is no longer needed.

Motion 02-068

Moved by Commissioner Clement, seconded by Commissioner Cahill:

The Commission repeals WAC 390-16-190, Electronic Filing.

The motion passed unanimously.

Advisory Matter

Vicki Rippie reported on a proposed amendment to Interpretation 01-01, Participation in Fund Raising Events by State Officials During Legislative Freeze Periods, adopted by the Commission to implement RCW 42.17.710.

Ms. Rippie said that the first section related to events held by candidates who are not subject to the provision and suggested rewording the title of the section and paragraph #1 to recognize that local office candidates (who do not hold state office) are not subject to section .710.

In addition, Ms. Rippie suggested language to clarify that if legislators or other state elected officials are listed on an invitation as attending an event hosted by a local official or a political party it does not necessarily mean that those officials have solicited or accepted contributions in violation of RCW 42.17.710.

Motion 02-069

Moved by Commissioner Cahill, seconded by Commissioner Brady:

The Commission amends PDC Interpretation 01-01, Participation in Fund Raising Events by State Officials During Legislative Freeze Period, as presented.

The motion passed unanimously.

Enforcement

Hearings

James White, Case #01-184

Assistant Attorney General Neil Gorrell introduced David Hokit, attorney for Mr. White and distributed a Stipulation of Facts, Violation and Penalty for the Commission's consideration.

Martin Plys, Ted Kokita and Joe Rubio, residents of the City of Kent, expressed concern with Mr. White's violation of the law to promote his re-election campaign. Mr. Plys also stated that he believes Mr. White intentionally violated the law and recommends that the case be referred to the Office of the Attorney General for further action.

Sandy Oment, former council member, stated that she has witnessed numerous illegal acts by Mr. White and the citizens of Kent were not given information before the election.

Mr. Gorrell read the Stipulation of Facts, Violations and Penalty into the record. He then summarized the case against James White for alleged violation of RCW 42.17.750 by knowingly soliciting contributions from employees of the City of Kent, and RCW 42.17.130 by using public facilities to assist his campaign for re-election as Mayor of Kent.

David Hokit stated that Mr. White was out of town and unable to attend the meeting.

Commissioner Brady commented that Mr. White is not a new candidate and he should understand the regulations. She also commented that she does not support the suspended portion of the penalty presented in the stipulation.

Commissioner Yoroazu also expressed concern with the stipulation and non-support for the suspended portion of the penalty.

Motion 02-070

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission rejects the Stipulation of Fact, Violations and Penalty in PDC Case #01-184, James White, and continues the enforcement hearing until the January meeting.

The motion passed unanimously.

Lawrence Soriano, Case #02-263

Phil Stutzman summarized the case against Mr. Soriano for violation of RCW 42.17.040, .080 and .090 by exceeding limits of the Mini reporting option.

Mr. Soriano was present and stated that as a first time candidate he was not aware of all of the rules of fundraising and accepts full responsibility. He also noted that he returned contributions when he was notified of being over the contribution limit.

Motion 02-071

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission finds a violation of RCW 42.17.040, 42.17.080 and 42.17.090 in PDC case #02-263 by Lawrence Soriano and assesses a penalty of \$1,000 with \$500 suspended based on no future violations of RCW 42.17 for four years.

Voting for: Commissioners Cahill, Clement and Marsh.

Voting against: Commissioners Yorozu and Brady.

The motion passed.

*Report on Sadie Charlene
Cooney, Case #99-053*

Neil Gorrell reported on a staff recommendation to dismiss matters regarding Linda Rouse in PDC Case #99-053, Sadie Charlene Cooney.

Motion 02-072

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission dismisses all matters regarding Linda Rouse in PDC Case #99-053, Sadie Charlene Cooney, as presented.

The motion passed unanimously.

Request for Review

Charles Styger, Case #01-615

Mr. Stutzman reported that a brief enforcement hearing was held July 30, 2001, in which Mr. Styger was found in violation of RCW 42.17.240 for failure to timely file a Statement of Financial Affairs. Mr. Styger was assessed a penalty of \$250 and the form was filed on August 28, 2001.

Mr. Styger was present and stated that he originally filed the form in June before going out of town. He resubmitted the form when he returned and learned that the form had not been received.

Motion 02-073

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission upholds the violation of RCW 42.17.240 in case #01-615, Charles Styger, and assesses a penalty of \$100.

The motion passed unanimously.

Requests for Reconsideration

Gary Morgan, Case #02-098

Mr. Stutzman reported that a brief enforcement hearing was held September 24, 2001, in which Mr. Morgan was found in violation of RCW 42.17.240 for failure to timely file a Statement of Financial Affairs. Mr. Morgan was assessed a penalty of \$100. The form was filed on October 11, 2001.

Mr. Morgan provided a brief letter stating that he would like the Commission to reconsider the matter.

There was no motion for reconsideration.

David Niezwagg, Case #01-507

Mr. Stutzman reported that a brief enforcement hearing was held July 30, 2001, in which Mr. Niezwagg was found in violation of RCW 42.17.240 for failure to timely file a Statement of Financial Affairs. Mr. Niezwagg was assessed a penalty of \$100.

There was no motion for reconsideration.

Samuel Udom, Case #02-169

Mr. Stutzman reported that a brief enforcement hearing was held July 30, 2001, in which Mr. Udom was found in violation of RCW 42.17.240 for failure to timely file a Statement of Financial Affairs and RCW 42.17.040 for failure to timely file a Candidate Registration. Mr. Udom was assessed a penalty of \$150. The forms were filed on November 11, 2001.

Mr. Udom provided a letter stating that he was out of country on a family emergency and he filed the forms upon returning home.

There was no motion to reconsider.

Cecil Stuurmans, Case #01-614

Mr. Stutzman reported that a brief enforcement hearing was held July 30, 2001 in which Mr. Stuurmans was found in violation of RCW 42.17.240 for failure to timely file a Statement of Financial Affairs. Mr. Stuurmans was assessed a penalty of \$100. The form was filed within the last two weeks.

Mr. Stuurmans provided a letter stating that he filed the form on time but the PDC office either did not receive it or misplaced it.

There was no motion for reconsideration.

Reporting Modification Requests

New

*Steve Hill, Regent, Washington
State University*

Mr. Stutzman reported that Mr. Hill requests an exemption from reporting the business customers and other governmental customers of Weyerhaeuser Company, Weyerhaeuser International, Weyerhaeuser Company Foundation, Seattle Symphony Orchestra, Seattle Symphony Players Pension Trust, and Corporate Council for the Arts, entities of which he is a director, officer or trustee.

Motion 02-074

Moved by Commissioner Cahill, seconded by Commissioner Brady:

The Commission grants the reporting modification to Steve Hill on the condition that Mr. Hill recuse himself from participating in any sales of trust land between the University of Washington and Weyerhaeuser.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (with changes)

IBEW Local 77 PAC

Mr. Stutzman reported that IBEW Local 77 PAC is requesting an exemption from reporting the addresses for individual contributors.

Kelly McGuire was present and stated that the modification would help a great deal in creating the initial database for the WEDS program.

Motion 02-075

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission grants the reporting modification to International Brotherhood of Electrical Workers Local Union No. 77, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Staff Reports

Executive Director

Vicki Rippie reported on the status of the current budget noting that the Attorney General's Office is currently having billing difficulties and all expenses reflected in the budget report are estimates. Ms. Rippie also commented on the preview version of the Election Financing Fact Book for 2000.

Assistant Director

Susan Harris reported on the case resolution schedule noting that compliance staff is working towards moving cases through the process within 90 days. Ms. Harris also summarized the results of a staff survey on the alternate work schedule and said that staff would continue on the alternate work schedule unless the Commission objected.

Chief Technology Officer

Michael Smith updated the Commission on the web site statistics and reported on preparations for the upcoming electronic filing season.

Assistant Attorney General

Nancy Krier reported on a Federal Court case in which the Public Disclosure Commission is a

party, noting that the case has been forwarded to the Criminal Justice Division.

Director of Public Outreach

Doug Ellis reported on a comprehensive communications plan that is being developed to communicate effectively with all interested parties and stakeholders.

Executive Session

The Commission went into executive session at 12:05 p.m. to discuss pending litigation with legal counsel.

Public Session/Adjournment

The Commission returned to public session at 12:45 p.m. and adjourned the meeting. The next meeting is scheduled for Tuesday, January 22, 2002.

Approved by the Commission 1/22/02